

Internal Revenue Service

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Department of the Treasury

Washington, DC 20224

Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

Telephone Number:

Refer Reply To:

CC:CORP:B05

PLR-155288-07

Date:

January 28, 2008

Taxpayer =

StateA =

Date1 =

Exchange =

\$A =

Date2 =

\$B =

%A =

Date3 =

Date4 =

Dear :

This ruling responds to a letter dated December 18, 2007, submitted by your authorized representative, requesting rulings under sections 301 and 305 of the Internal Revenue Code (the "Code"). Additional information was received subsequently.

The rulings contained in this letter are based upon facts and representations that were submitted on behalf of Taxpayer and accompanied by a penalties of perjury

statement executed by an appropriate party. This Office has not verified any of the materials submitted in support of the request for rulings. Verification of the information, representations, and other data may be required as part of the audit process.

SUMMARY OF FACTS

Taxpayer is a StateA corporation incorporated on Date1. Taxpayer is a self-administered and self-managed real estate investment trust ("REIT"). Taxpayer represents that it qualifies as a REIT under the Code, that it intends to maintain such qualification as a REIT, and that it regularly distributes its earnings and profits as required under section 857(a)(1).

Taxpayer has one class of common stock outstanding (the "Common Stock"), which is publicly traded and listed on the Exchange.

Taxpayer intends to make a dividend with respect to its Common Stock of approximately \$A on or before Date2 (the "Special Dividend"). Taxpayer expects to make the Special Dividend in the form of cash, Common Stock of equivalent value (determined as close to the distribution date as reasonably practicable), or a combination of both, at the election of each stockholder. The total amount of cash payable in the Special Dividend will be limited to approximately \$B, or approximately %A of the total value of the Special Dividend. In no event will the total amount of cash available be less than 20 percent of the total value of the Special Dividend.

The Special Dividend was declared on Date3, payable to stockholders of record as of Date4, and will be paid on or before Date2.

Taxpayer declared the Special Dividend and provided that each stockholder may elect to receive its dividend in the form of: (a) cash (the "Cash Option"); (b) Common Stock (the "Stock Option"); or (c) a combination of both Common Stock and cash (the "Mixed Option"). If a stockholder fails to make a valid election by the election deadline, that stockholder will be deemed to have made an election to be determined by Taxpayer at Taxpayer's sole discretion. To the extent necessary, Taxpayer will pay cash in lieu of fractional shares of Common Stock. Any shares of Common Stock paid in the Special Dividend will be subject to the same limitations on share ownership as apply to other shares of Common Stock currently outstanding that are imposed by Taxpayer's charter (such limitations, the "Excess Share Clause"). Based on Taxpayer's knowledge, Taxpayer does not anticipate that any stockholder's receipt of the Special Dividend will be affected by the Excess Share Clause.

While each stockholder will have the option to elect to receive cash in lieu of Common Stock for all or a portion of the stockholder's entire entitlement under the Special Dividend, Taxpayer intends to limit the amount of cash to be distributed in the aggregate to approximately \$B, or approximately %A of the Special Dividend (such

amount, the “Cash Limit”). Cash paid in lieu of fractional shares will not count toward the Cash Limit. After cash equal to the Cash Limit is distributed, any remaining unpaid balance of the Special Dividend will be paid in shares of Common Stock.

If the total number of shares of Common Stock with respect to which an election to receive the dividend in cash is made (“Cash Election Shares”) would result in the payment of cash in an aggregate amount that is less than or equal to the Cash Limit, not including any cash payments in lieu of fractional shares, then all holders of Cash Election Shares will receive the Special Dividend on all Cash Election Shares in cash. In such a case, all stockholders that elect a cash portion under the Mixed Option would receive the requested portion in cash, and all stockholders that elect the Cash Option would receive 100 percent cash.

If the number of Cash Election Shares would result in the payment of cash in an aggregate amount that is greater than the Cash Limit, then

(a) stockholders electing to receive the Special Dividend in cash on %A or less of the total number of shares of common stock they hold will receive the Special Dividend on each of their Cash Election Shares in cash, and

(b) stockholders electing to receive the Special Dividend in cash on more than %A of the total number of shares of Common Stock they hold will receive the Special Dividend on their Cash Election Shares as follows:

(i) cash on the number of Cash Election Shares equal to at least %A of their total shares of Common Stock; plus

(ii) cash on each stockholder’s Cash Election Shares in excess of %A of such stockholder’s total shares of Common Stock held (the “Excess Cash Election Shares”) equal to the proportion that such stockholder’s Excess Cash Election Shares bear to the total Excess Cash Election Shares of all stockholders, multiplied by an amount equal to the Cash Limit less the aggregate amount of cash allocations made pursuant to (a) and (b)(i) above (but subject to the Cash Limit); plus

(iii) shares of Common Stock in payment of the Special Dividend on each stockholder’s remaining Excess Cash Election Shares (subject to the Excess Share Clause and the payment of cash in lieu of fractional shares).

As a result, if a stockholder elects to receive the Special Dividend in cash on more than %A of the total shares of Common Stock held by that stockholder, the stockholder may instead receive a pro rata amount of cash to the extent of the stockholder’s election in excess of %A.

Taxpayer intends to distribute its Common Stock and the cash in the Special Dividend as soon as reasonably practicable following the date of the election deadline but in no case later than Date2.

RULINGS

Based solely on the information provided and the representations made, we rule as follows. Any and all of the cash and stock distributed in the Special Dividend (as described above) by Taxpayer shall be treated as a distribution of property with respect to its stock to which section 301 applies. Sections 301 and 305(b)(1). The amount of the distribution of the stock received by any shareholder electing to receive stock will be considered to equal the amount of the money which could have been received instead. §1.305-1(b)(2).

CAVEATS

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter. In particular, no opinion is expressed with regard to whether Taxpayer qualifies as a REIT under subchapter M of the Code. Furthermore, no opinion is expressed with regard to whether "the Special Dividend" constitutes a Preferential Dividend under section 562(c) of the Code.

PROCEDURAL STATEMENTS

This ruling letter is directed only to the taxpayer who requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent. A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, any taxpayer filing its return electronically may satisfy this requirement by attaching a statement to the return that provides the date and control number of this ruling letter.

Pursuant to the power of attorney on file in this office, a copy of this ruling letter will be sent to your authorized representative.

Sincerely,

T. Ian Russell

T. Ian Russell
Senior Counsel, Branch 5
Office of Associate Chief Counsel
(Corporate)

cc: